

**REPORT ON  
CLERK OF THE CIRCUIT COURT  
of the  
COUNTY OF GILES, VIRGINIA  
THE HONORABLE SCARLET B. RATCLIFFE**

**FOR THE PERIOD  
APRIL 1, 2004 THROUGH SEPTEMBER 30, 2005**



- TABLE OF CONTENTS -

	<u>Pages</u>
AUDIT LETTER	1-2
INTERNAL CONTROL AND COMPLIANCE FINDINGS AND AUDITOR'S RECOMMENDATIONS	3
CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN	4



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

December 19, 2005

The Honorable Scarlet B. Ratcliffe  
Clerk of the Circuit Court  
County of Giles

Board of Supervisors  
County of Giles

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Giles for the period April 1, 2004 through September 30, 2005.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

Court management has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Our audit was more limited than would be necessary to provide assurance on internal controls or to provide an opinion on overall compliance with laws and regulations. Because of inherent limitations in internal controls, errors, irregularities, or noncompliance may nevertheless occur and not be detected. Also, projecting the evaluation of internal controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system, and no matters involving internal control and its operation that we consider to be a reportable condition. A reportable condition involves a matter coming to our attention relating to a deficiency in the design or operation of internal controls that, in our judgment, could reasonably lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

The results of our tests of compliance with applicable laws and regulations disclosed an instance of noncompliance that is required to be reported. This instance of noncompliance is discussed in the section entitled "Internal Control and Compliance Findings and Auditor Recommendations."

We discussed these comments with the Clerk on December 13, 2005 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:cam

cc: The Honorable J. Colin Campbell, Sr., Chief Judge  
Christopher McKlarney, County Administrator  
Bruce Haynes, Executive Secretary  
Compensation Board  
Paul Delosh, Director of Technical Assistance  
Supreme Court of Virginia  
Director, Admin and Public Records  
Department of Accounts

## INTERNAL CONTROL AND COMPLIANCE FINDINGS AND AUDITOR'S RECOMMENDATIONS

The following findings are reportable internal control matters that could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability. The Clerk's response and written corrective action plan to remediate these findings are included as an enclosure to this report.

### Report Unclaimed Property

For the third consecutive audit, the Clerk did not report and submit unclaimed property to the State Treasurer as required by §55-210.12 of the Code of Virginia. Specifically, the Clerk has not remitted nine unclaimed chancery deposits over a year old totaling \$8,503 and 11 trust fund accounts totaling \$70,169 to the Division of Unclaimed Property as required by §55-210.9:2 of the Code of Virginia. In addition, the Clerk has not remitted two disbursements outstanding since June 2002 totaling \$111.

The Clerk should send unclaimed property to the appropriate division or fund after due diligence procedures have failed. In addition, the Clerk could incur a personal liability for penalty and interest for failure to send eligible property to the Division of Unclaimed Property.

### Properly Monitor and Report Delinquent Accounts

The Clerk is not monitoring and submitting notices of delinquent fines and costs to the Department of Motor Vehicles. Section 46.2-395 of the Code of Virginia requires Clerks to report all unpaid criminal and traffic cases. In 4 of 20 cases tested, the Clerk failed to notify the Department of Motor Vehicles up to eight months after the cases became eligible for license suspension. Driver's license suspension is an important tool for the collection of delinquent fines and costs. The Clerk should develop procedures for regular review of delinquent accounts and promptly report all cases with unpaid fines and costs.



CLERK'S OFFICE  
CIRCUIT COURT of GILES COUNTY

501 Wenonah Avenue  
Pearisburg, Virginia 24134

Hazel T. Broyles  
Patricia T. Francis  
Rebecca A. Hinchee  
Sara D. Munsey  
Deputy Clerks

Scarlet B. Ratcliffe, Clerk  
Phone (703) 921-1722

January 6, 2006

Ms. Marsha Tedesco  
APA  
James Monroe Building  
101 North 14<sup>th</sup> Street  
Richmond, VA 23219

In Re: Audit Recommendations

Dear Ms. Tedesco:

I have reviewed the audit recommendations and I propose the following plan of action:

1. There were seven (7) accounts remitted to Unclaimed property on November 11, 2005. We have contacted the auditors for a list of all cases listed in the audit report. We will contact any attorney/party with the proper notice as required by the Code and then remit said funds to Unclaimed property at the appropriate time.
2. We will monitor all criminal cases to make sure that accounts are set up in a timely fashion. If a defendant has multiple charges and has set up a payment plan, we will ensure that if the first case goes delinquent that all cases will show that they are delinquent.

I hope that this will correct any past problems and alleviate any problems in the future. If you have any questions, please feel free to contact me.

Very truly yours,

  
Scarlet B. Ratcliffe  
Clerk

SBR